

CGIAR Consortium Audited Financial Statements Year **2015**



Approved By the Consortium Board at their Twenty-Fifth Meeting (Virtual) on 28 April 2016

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Independent Auditors' Report

To the Board of CGIAR Consortium

We have audited the accompanying financial statements of CGIAR Consortium, which comprise the statement of financial position as at 31 December 2015 and the statements of activities, changes in net assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

The financial statements have been prepared by management of CGIAR Consortium in accordance with the Accounting Policies and Reporting Practices Manual- Financial Guidelines Series, No.2, Revised February 2006 and supplemented by the 2015 Advisory Note issued by the CGIAR Consortium in December 2015.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Accounting Policies and Reporting Practices Manual - Financial Guidelines Series, No.2, Revised February 2006 and supplemented by the 2015 Advisory Note issued by the CGIAR Consortium in December 2015, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

PricewaterhouseCoopers SpA

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Opinion

In our opinion the financial statements present fairly, in all material respects, the financial position of CGIAR Consortium as at 31 December 2015, and its activities and its cash flows for the year then ended in accordance with the Accounting Policies and Reporting Practices Manual - Financial Guidelines Series, No.2, Revised February 2006 and supplemented by the 2015 Advisory Note issued by the CGIAR Consortium in December 2015.

Purpose of the Financial Statements and basis of accounting

Without modifying our opinion we draw attention to Note 1 to the financial statements, which describes the purpose of preparation of these financial statements and to Note 3, which describes the basis of accounting. Even though the CGIAR Consortium is not subject to statutory laws and regulation requiring to prepare a full set of annual Financial Statements, the entity prepares the latter in accordance with the article 19.3 of its Joint Agreement, in order to provide all its stakeholders, once a year, with a comprehensive view of its business performance and financial position as a matter of transparency and good governance. As a result, the financial statements may not be suitable for another purpose.

Without qualifying our opinion, we emphasise that the accounting policies used and disclosures made are not intended to, and do not, comply with all the requirements of International Financial Reporting Standards (IFRS).

Rome, 20 April 2016

PricewaterhouseCoopers SpA

Rodrigue G. Schiibelin
(Partner)

A handwritten signature in black ink, appearing to read "Rodrigue G. Schiibelin", written in a cursive style.

Statement by the Board Chair

Delivery of the Consortium of International Research Centers' ('Consortium') 2015 program of work took place in a year of considerable change, necessitating significant collaborative effort between the Consortium, its 15 Member Centers, and system-wide partners, advisors and financial and non-financial contributors.

Performance achievements

The most significant achievement of the Consortium over the 2015 calendar year was that it facilitated and catalyzed the development of a true portfolio of next-generation coherent, global, cross-Center research programs that CGIAR's Member Centers can truly own. Due for implementation in 2017 – 2022, this innovative portfolio responds to CGIAR's bold new 2016-2030 CGIAR Strategy and Results Framework, the development of which was led by the Consortium, with significant ownership by its Member Centers and CGIAR's funders. A second key achievement of the Consortium is that it enhanced cross-Center collaboration through its active facilitation of a large number of Communities of Practice and system-wide gender and open access/open data initiatives (Special Initiatives). Particularly in respect of the Special Initiatives, respectively, this work aims to increase gender diversity in CGIAR's research actions and organizations, and provide open access to the large volume of data collated by CGIAR, ultimately to strengthen the quality of research outcomes overall. The third key achievement of the Consortium across the 2015 year was the organization's successful transition from a hosted body, to an independently operating international organization, hosted, with our appreciation, by the French Government in Montpellier in France.

Financial matters

The purpose of the Consortium is to provide leadership to the CGIAR system and coordinate activities among Member Centers and other partners within the framework of CGIAR Research Programs (CRPs), in order to enable them to enhance their individual and collective contribution to the achievement of the CGIAR vision. Accordingly, the Consortium carries responsibility for CGIAR Fund resources disbursed directly from the Fund to Lead Centers, in addition to the amounts disbursed from the Fund to the Consortium Office for its operational activities, including the activities of the Special Initiatives projects that it continues to host. Further, the Consortium monitors the financial wellbeing of member Centers.

Overall revenues for the CGIAR system remained at approximately US\$ 1 billion for the 2015 calendar year, providing important ongoing support for implementation by CGIAR Member Centers of the 2011/2012-2016 CGIAR Research Program portfolio. Nevertheless, 2015 passed as a relatively complex year for CGIAR Member Centers in respect of funding contributed through the CGIAR Fund. The Consortium Board approved 2015 CRP Financial Plan required adjustment throughout the 2015 calendar year to address both altered funder preferences in the allocation of their funds compared to 2014, and an overall reduction in actual 2015 contributions compared to early 2015 projections. With the Consortium prevented by the CGIAR Fund Council to raise funds itself, sustained bilateral resource mobilization efforts by the majority of CGIAR Member Centers mitigated more severe consequences for CGIAR research outcomes. Nevertheless, there was significant strain in the system late in the year, with a number of Centers being required to reduce staff.

In light of resource pressures, the Consortium sought throughout the 2015 year to reduce expenditure wherever possible as a proactive risk-mitigation measure. Overall, Consortium core expenditure (excluding, as the host of the Special Initiatives projects, expenditure of

US\$ 2 million from the CGIAR Fund and US\$ 1.3 million bilateral funds) was US\$ 0.4 million below budget. However, the Consortium was required to absorb the unexpected cost of a US\$ 0.7 million loss incurred by the CGIAR shared-service Internal Audit Unit against its 2015 work plan. When offset against the Consortium's additional income from shared services results, the final shortfall against the 2015 budget was US\$ 0.1 million.

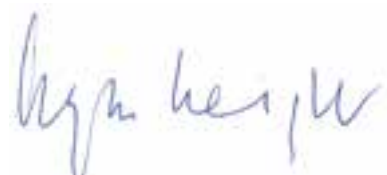
This is the first year for the Consortium to close its books independently from financial and accounting support provided by Bioversity International, the host entity of the Consortium until 1 January 2015. The Consortium satisfactorily implemented and went live with its 'One Corporate System' (or 'OCS') ERP platform based on Unit4 Business World, which is shared with nine other CGIAR Centers.

Governance transition in 2016

Based upon an initial April 2015 decision of the CGIAR Fund Council, and subsequent deliberations with the Fund Council and CGIAR key stakeholders, it is expected that the CGIAR system will centralize its governance and administrative activities under the existing legal personality of the Consortium from July 2016. At the time of writing of this report, such deliberations envisage the existing Consortium Constitution to be amended and restated as a new CGIAR System Charter. As a result of these reforms, the Consortium Board and Fund Council will hand over their respective responsibilities to a new CGIAR System Council, and the Consortium Office and Fund Office will hand over their responsibilities to a new administrative office. Concurrent with continuing to oversee and deliver on the Consortium's 2016 priorities, members of the Consortium Board and Consortium Office are active participants in the ongoing transition deliberations.

I express my sincere appreciation to my fellow Consortium Board members for their tireless work across the 2015 calendar year, with members having been called on for their astute insights so many more times than in prior years. I commend also the excellent leadership of the CGIAR Consortium's CEO, Frank Rijsberman across the year, with unreserved appreciation for the tireless way that he has worked to enable the Consortium to deliver on its 2015 work plan. On behalf of the Board, I also wish to acknowledge the skills and professionalism displayed by the relatively small team at the Consortium Office, who delivered outputs and outcomes over the 2015 year with an unwavering focus on what was in the best interests of the CGIAR system as a whole despite considerable uncertainty across the year.

On behalf of the members of the Consortium Board, I commend the work and achievements to date and thank CGIAR's donors and partners for their continued support.



Lynn Haight

Chair, CGIAR Consortium Board

Statement on Risk Management

The Consortium Board is responsible for ensuring that an appropriate risk management system is in place to identify and manage significant risks at the Consortium and for the implementation of CGIAR Research Programs (CRPs). In particular, the Consortium Board has an obligation to CGIAR donors and the CGIAR Fund Council with regard to accounting for the Consortium and CRP expenditure from all sources, and to ensure that the impact pathway is efficient and effective.

Financial, operational and reputational risks are inherent in the nature, modus operandi and location of Consortium activities and are dynamic as the operating environment changes. Risks include scientific activities not having the desired impact, the misallocation of scientific efforts away from agreed priorities, diminution in reputation for scientific excellence and integrity, business disruption, insufficient funding and liquidity problems, transaction processing failure, loss of assets including information assets, failure to mobilize and utilize qualified and experienced human and other resources, and failure in the execution of legal, fiduciary or agency responsibilities.

As part of the Consortium Board's risk management oversight function, the Audit and Risk Management Committee is overseeing the development of a holistic risk management and compliance framework by which management: identifies, evaluates and prioritizes risks and opportunities across the organization; develops risk mitigation strategies that balance benefits with costs; monitors the implementation of these strategies; and periodically reports to the Board through the Audit and Risk Management Committee on risk assessments and their results.

Risk assessments undertaken by management incorporate the results of collaborative risk assessments with CGIAR Member Centers, CGIAR system office components and other entities in relation to shared risks arising from jointly managed activities. The risk management framework strives to draw upon international best practice in codes and standards.

Currently, the CGIAR Consortium endeavors to manage risk by ensuring that the appropriate infrastructure, controls, systems and people are in place throughout the organization. Key practices employed in managing risks regarding the CRPs include clear policies and accountabilities, financial and programmatic reporting according to Consortium Board approved financial guidelines, the development and implementation of monitoring and evaluation guidelines for all research activities, and the implementation of a CRP performance management system.

As part of the CGIAR transition process, discussions on further strengthening of the CGIAR governance system are taking place. The Audit and Risk Management Committee supports the CGIAR Consortium's continued reliance on existing risk management strategies until final decisions on the transition are taken in July 2016 in respect of the overall governance structure for CGIAR.

An additional layer of risk management is provided through the work of the Internal Audit Unit (IAU), which operates as a shared service unit across the 15 CGIAR Member Centers and the CGIAR Consortium. Specifically concerning Consortium activities, the internal auditing function is placed directly under the responsibility of the Board and the Audit and Risk Management Committee. The IAU also reports into the Consortium Board as far as audits of CRPs are concerned.



Klaus Leisinger

Chair, Audit and Risk Management Committee of the CGIAR Consortium Board

Management Statement of Responsibility for Financial Reporting

As of 1 January 2015, the Consortium has assumed direct responsibility for the accounting of all human resources and non-human resources related Consortium Office expenditures and has maintained a system of internal controls designed to provide reasonable assurance that assets are safeguarded and that the financial records of the Office are properly kept. Prior to January 2015, Bioversity International¹ provided this service to the CGIAR Consortium as part of legal system agreements. As a means of ensuring improved reporting, the CGIAR Consortium implemented a new financial management software package, 'One Corporate System' or OCS (Unit 4, Agresso Business World) in August 2014. The 2015 financial statements have been prepared in accordance with the accounting policies of CGIAR, as contained in the Financial Guidelines Series No. 2 -Accounting Policies and Reporting Practices.

The Consortium also has fiduciary responsibility for funds disbursed from the CGIAR Fund to Lead Centers of CGIAR Research Programs (CRPs). These funds are not reflected in the Statements of Position and Revenue and Expenditure here reported. Such funds, for the implementation of 15 CRPs and a Genebanks research program, are reported by the respective Lead Centers. The Consortium is also required to prepare the aggregated CGIAR Financial Report and is responsible for the accuracy and reliability of the financial information contained therein.

The Consortium's system of financial reporting presents management with an accurate view of its operations and enables it to identify and discern risks, while at the same time providing assurance for reliable financial statements and management reports.

The Consortium has been supported by the CGIAR shared-services Internal Audit Unit, which undertakes regular and ongoing audits and provides recommendations regarding the adequacy of the Consortium's policies and procedures and the effectiveness of their implementation. PricewaterhouseCoopers has been engaged to examine and report on the financial statements of the Consortium. The firm's examination is conducted in accordance with international standards on auditing. Its report forms part of the 2015 Consortium Board approved audited financial statements.



Frank Rijsberman
Chief Executive Officer



Albia Hubscher
Director of Finance and Corporate Services

¹ Bioversity International is the operating name of the International Plant Genetic Resources Institute, headquartered in Rome, Italy.

Financial Statements

CGIAR Consortium Statement Of Financial Position As of 31 December, 2015 (Thousands of US\$)

	Notes	2015	2014
ASSETS			
Current Assets			
Cash and cash equivalents	7	8,490	4,077
Accounts Receivable			
Grants Receivable - Donors	8	2	-
CGIAR Centers	9	1,469	1,058
Others	10	402	730
Prepaid Expenses	11	518	127
Total current Assets		10,881	5,992
TOTAL ASSETS		10,881	5,992
LIABILITIES AND NET ASSETS			
Current Liabilities			
Accounts Payable			
Grants Payable - Donors	12	5,774	892
CGIAR Centers	13	2,778	-
Others	14	473	4,070
Accruals	15	891	138
Total current liabilities		9,916	5,100
Non-current liabilities			
Accounts Payable			
Deferred grant revenue	16	397	227
Total non- current liabilities		397	227
TOTAL LIABILITIES		10,313	5,327
NET ASSETS			
Undesignated		568	665
Total Unrestricted Net Assets		568	665
Total Net Assets		568	665
TOTAL LIABILITIES AND NET ASSETS		10,881	5,992

CGIAR Consortium
Statement Of Activities
As of 31 December, 2015
(Thousands of US\$)

	Notes	2015			2014				
		Unrestricted	Restricted CRPs	Restricted Non CRPs	Total 2015	Unrestricted	Restricted CRPs	Restricted Non CRPs	Total
Revenue and Gains									
Grant Revenue									
Windows 1 & 2	17	-	527	8,014	8,541	-	-	7,734	7,734
Bilateral	18	-	-	1,254	1,254	-	-	1,233	1,233
Total Grant Revenue		-	527	9,268	9,795	-	-	8,967	8,967
Other Revenue	19	1,555	-	2,031	3,586	318	-	-	318
Total Other Revenue		1,555	-	2,031	3,586	318	-	-	318
Total Revenue and Gains		1,555	527	11,299	13,381	318	-	8,967	9,285
Expenses and Losses									
CGIAR collaborators	20	-	527	495	1,022	-	-	-	-
Non CGIAR collaborators	21	-	-	1,039	1,039	-	-	1,117	1,117
General and Admin Expenses		-	-	11,443	11,443	-	-	8,399	8,399
Total Operating Expenses	22	-	527	12,977	13,504	-	-	9,516	9,516
Financial result									
Financial Incomes		101	-	-	101	4	-	-	4
Financial Expenses		75	-	-	75	66	-	-	66
Total Financial	23	26	-	-	26	(62)	-	-	(62)
Surplus (Deficit)	24	1,581	-	(1,678)	(97)	256	-	(549)	(293)

CGIAR Consortium
Statement Of Activities
As of 31 December, 2015
 (Thousands of US\$)

Balances January 1, 2014	958
Net Surplus/Deficit	-293
Balances 31 December, 2014	665
Net Surplus/Deficit	-97
Balances 31 December, 2015	568

Notes to the Financial Statements

As of 31 December 2015

(All values expressed in Thousands of US dollars)

1

Statement of Purpose

The Consortium of International Agricultural Research Centers ('Consortium') is an independent international organization with full international legal personality, in accordance with the 'Agreement establishing the Consortium of International Research Centers as an International Organization' (Treaty)². The Consortium's headquarters is located in Montpellier, France. In accordance with the headquarters agreement signed with the Government of France, the Consortium has privileges and immunities on French territory³. According to this agreement, the Consortium has, inter alia, immunity from legal process and is, together with its employees, tax exempt except that its employees shall be subject to 5.5% tax on salaries for the benefit of the Consortium. It may receive and hold funds and currencies of any kind and have accounts in any money and any country and may freely transfer its funds and its currencies within French territory, from France to another country, and vice versa.

The purpose of the Consortium is to provide leadership to the CGIAR system and coordinate activities among Member Centers and other partners within the framework of CGIAR Research Programs (CRPs), in order to enable them to enhance their individual and collective contribution to the achievement of the CGIAR vision.

The Consortium is not subject to statutory laws and regulation requiring the entity to prepare a full set of annual financial statements. However, the Consortium prepares the latter in accordance with article 19.3 of its Joint Agreement with the Fund Council of the CGIAR Fund⁴, in order to provide all its stakeholders with a comprehensive annual review of its business performance and financial position, as a matter of transparency and good governance.

2

Vision and Mission

The Consortium works with the CGIAR Fund to advance international agricultural research for a food secure future by integrating and coordinating the efforts of those who fund research and those who do the research. The goals of CGIAR's 2010 – 2015 first Strategy and Results Framework are reducing rural poverty, enhancing food security, improving nutrition and health and sustainably managing natural resources.

3

Summary of Significant Accounting Policies

The major accounting policies followed at the Consortium are summarized below:

a) Accounting for not-for-profit organizations

The Consortium Financial Statements are prepared in compliance with the CGIAR Financial Guidelines Series No. 2 titled 'CGIAR Accounting Policies and Reporting Practices' (the Manual), following the accrual basis of accounting. This Manual takes as its reference the International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). However, there may be deviations from IFRS. In instances where IFRS do not specifically cover issues unique to not-for-profit organizations, the Manual has drawn from other widely used standards (such as FASB Accounting Standards Codification 958, Not-For-Profit Entities of US GAAP) to provide guidance on issues of importance that are not yet addressed by existing IFRS Standards.

² Date of entry into force is 20 July 2012, and accessible here:

http://library.cgiar.org/bitstream/handle/10947/2592/Agreement_establishing_the_Consortium_of_International_Agricultural_Research_Centers_as_an_International_Organization.pdf?sequence=4

³ Date of entry into force is 31 July 2014, and accessible here:

<https://library.cgiar.org/bitstream/handle/10947/3064/Consortium%20HQ%20agreement%20-%20English%20Translation.pdf?sequence=1>

⁴ Approved by the Fund Council on 5 April 2011, and the Consortium Board on 5 May 2011.

Furthermore, note that IAS 1 provides that "If entities with not-for-profit activities in the private sector or the public sector apply this Standard, they may need to amend the descriptions used for particular line items in the financial statements and for the financial statements themselves." In line with this provision, the Manual has, in places, applied descriptions that more closely reflect the nature of the CGIAR Centers' activities than those set out in IFRS.

The Consortium is one of several system entities within CGIAR, all of which are financed by Window 1 of the CGIAR Fund. These entities are required to treat such funding as restricted funding⁵, and may therefore only recognize revenue to the extent that services have been rendered.

In line with the CGIAR 2015 Advisory Note, the format of the Statement of Activity was adjusted to show the computation of financial incomes and financial expenses (see notes 22 and 24).

b) Translation of currencies

The Consortium's financial statements are issued in Thousands of US dollars (US\$). Those assets and liabilities denominated in other currencies are translated at the exchange rate in effect at the end of each financial period. Grants received in currencies other than US dollars are recorded at market exchange rates in effect at the time the grant is received or, if outstanding at 31 December, at the market rate of exchange in effect at year end. Income and expenses in currency other than US dollars are recorded at the official exchange rate on the dates of the transaction. Profits and losses arising on exchange are included in the results of operations.

c) Net assets

Net assets comprise of the residual interest in an entity's assets after liabilities are deducted. They are classified as either designated or undesignated.

d) Revenue recognition

Cash grants are recorded at the face value of the cash received or the US dollar equivalent. Grant revenue is recognized when there is reasonable assurance that the Consortium will comply with the conditions of the grant. Restricted grants are recognized as revenue to the extent of expenses incurred.

e) Expenses

Expenses are recognized on the accrual basis of accounting.

f) Fixed Assets

Property and equipment whose full cost exceeds US\$ 3 and which the Consortium can use in the production or supply of goods, services including for administrative services, and have a life span of more than one year, are capitalized, and shown at acquisition cost less accumulated depreciation.

g) Depreciation

Depreciation is calculated on a straight-line basis at annual rates over the estimated useful life of the asset. The annual rates used are as follows:

- i. Assets purchased with restricted funds: Fully depreciated in the year of acquisition
- ii. Assets purchased with unrestricted funds:
 - Office Furniture and Equipment 5 years
 - IT equipment over US\$ 3 3 years

As of 31 December 2015, all assets had been purchased with restricted funds.

4 Exclusion

These financial statements are only for the operational activities for the office of the Consortium.

The Consortium also has responsibility for Window 1 and Window 2 CGIAR Fund resources disbursed directly from the Fund to Lead Centers for the financing of CRPs. These funds are not reflected in the Statement of Position or Statement of Activities of the Consortium but will be reflected in the CGIAR Financial Report 2015 that is expected to be available in June 2015.

⁵Traditionally, donors have given either restricted (where the project purpose, timeline and budget is defined by them) or unrestricted (without restrictions) funding.

5

CGIAR Consortium Board

Following is the list of remunerated non-executive independent members of the CGIAR Consortium Board for the year 2015:

	Appointment date	Country	Position
Lynn Haight	1 January 2010	Canada	Chair
Ganesan Balachander	1 January 2010	India	Member
Marion Guillou	1 January 2013	France	Member
Molly Jahn	1 June 2015	USA	Member
Martin Kropff*	1 January 2013	Netherlands	Member
Klaus Leisinger	1 January 2014	Germany	Member
Agnes Mwang'ombe	4 February 2011	Kenya	Member
Paul Zuckerman	1 January 2014	United Kingdom	Member

* Martin Kropff's tenure ended on 1 June 2015, as he took up a new role as Director General of CIMMYT, a CGIAR Member Center. The Consortium Board appointed Professor (Ms.) Molly Jahn to fill the arising vacancy with effect from 1 June 2015, as endorsed by CGIAR Member Centers.

In addition, the Consortium Board decided at its 18th meeting on 10 December 2014 to invite a combined total of four Center or CRP representatives to attend Consortium Board meetings and participate in all Consortium Board deliberations. Following is the list of non-Consortium remunerated Center or CRP representatives, as nominated by the Centers/CRPs, and who participated in Consortium Board deliberations for the year 2015.

	Effective Date of appointment	Center/CRP	Position at Center/CRP
Bas Bouman	1 January, 2015	GRiSP	CRP Director
Chandra Madramootoo	1 January, 2015	ICRISAT	Board Chair
Tony Simons	1 January, 2015	ICRAF	Director General
Ann Tutwiler	1 January, 2015	Bioversity	Director General

6

Fixed Assets

Following is the list of remunerated non-executive independent members of the CGIAR Consortium Board for the year 2015:

	Furnishings & Equipment (Thousands of US\$)	Computers (Thousands of US\$)	Total (Thousands of US\$)
Cost			
Balance at 1 January 2014	-	-	-
Additions (restricted)	357	-	357
Disposals	-	-	-
Balance at 31 December 2014	<u>357</u>	<u>-</u>	<u>357</u>
Depreciation			
Balance at 1 January 2014	-	-	-
Charge of the year	357	-	357
Relating to disposals	-	-	-
Balance at 31 December 2014	<u>357</u>	<u>-</u>	<u>357</u>
Net book Value			
Balance at 1 January 2015	-	-	-
Additions (restricted)	-	-	-
Disposals	-	-	-
Balance at 31 December 2015	<u>-</u>	<u>-</u>	<u>-</u>

No fixed assets were purchased in 2015.

CURRENT ASSETS

7

Cash and Cash Equivalents

The increase is primarily the result of funds received for Special Initiative projects for which the Consortium holds US\$ 5,700. The Cost Share Percentage (CSP) for 2013 was paid in February 2015 and the 2014 CSP was collected in June 2015 and paid in September 2015. Refer note 14.

A new funds in trust US dollar bank account was opened in 2015 to allow the Consortium to make payments on behalf of ICARDA, helping to alleviate the difficulties and delay ICARDA experiences with bank transactions. Funds held in this account belong to ICARDA. This arrangement is covered under an agreement signed on 14 May 2015 and which was extended on 15 December 2015 for one year.

	2015 (Thousands of US\$)	2014 (Thousands of US\$)
ICARDA funds in trust - BNPPARIBAS	1,555	
BNPPARIBAS USD Account	6,423	3,976
BNPPARIBAS Euro Account	508	90
Cash	5	11
Total	<u>8,490</u>	<u>4,077</u>

8

Grants Receivable - Donors

In order to account for unplanned transition expenditures expected to be incurred on the part of the Consortium Office, the CGIAR Fund Council approved, in September 2015, an amount of US\$ 100 as additional to the 2015 Consortium approved budget. The Consortium has agreed to establish a separate account for this amount, which had not been received as of the reporting period

	2015 (Thousands of US\$)	2014 (Thousands of US\$)
Transition budget	2	-
	2	-

9

Accounts receivables - CGIAR Centers

For 2015, the Consortium assumed full management and accounting for transactions with CGIAR Centers, which were previously managed by Bioversity International.

The liability with Bioversity International was moved from Other Accounts Payables to CGIAR Centers in order to align with Bioversity International reporting.

	2015 (Thousands of US\$)	2014 (Thousands of US\$)
Africa Rice	19	13
Bioversity	373	98
CIAT	33	1
CIFOR	13	6
CIMMYT	14	5
CIP	115	1
ICARDA	107	19
ICRISAT	64	20
IFPRI	41	13
IITA	99	32
ILRI	47	38
IRRI	268	687
IWMI	62	14
WorldAgroforestry	130	111
World Fish	83	-
	1,469	1,058

10

Accounts receivables - Other Accounts

No allowance for doubtful accounts is required in 2015 and no allowance was required in 2014.

The 2014 Fund Office amounts corresponded to expenditures incurred for pending grants, which were made for the Special Initiatives projects in 2014 for Open Access (US\$ 426) and Gender (US\$ 259). The amounts were reclassified for 2015 in Grants Payable - Donors.

The funds were received during the year 2015.

Value Added Tax (VAT) claims and refunds with the French Government are generally slow but assured.

The Association of International Agricultural Research Centers (IAIRC) amount is a result of the payroll transition from Bioversity International to the Consortium, which uses IAIRC for payroll administration and processing.

In 2015, the prepayment was reclassified as recommended by the Manual on a separate line 'Prepaid Expenses'. See note 11 below.

	2015	2014
	(Thousands of US\$)	(Thousands of US\$)
Fund Office	-	687
Sundry Accounts Receivable	40	36
VAT Reclaimable	52	7
IAIRC	311	
Total	402	730

11

Prepaid Expenses

In 2014, Prepaid Expenses (US\$ 127) were wrongly classified and included in Other Accounts Receivable. This was corrected in the 2015 Statement of Financial Position. See note 10 above.

	2015	2014
	(Thousands of US\$)	(Thousands of US\$)
CGIAR Consortium	77	74
Shared Services	300	53
Open Access	1	-
IAU	141	-
Total	518	127

CURRENT LIABILITIES

12

Grants Payable - Donors

Grants Payable - Donors includes grants received from donors for which conditions for revenue recognition are not yet met, and amounts payable to donors in respect of unexpended funds received in advance for signed contracts. In 2015, significant funds were received for system wide Special Initiative projects.

The 2015 increase is primarily the result of funds received through Window 1 of the CGIAR Fund from the Bill and Melinda Gates Foundation for the Gender and Open Access – Open Data initiatives, and from Window 1 for the Virtual Information Platform.

	2015 (Thousands of US\$)	2014 (Thousands of US\$)
CGIAR Centers – Board Orientation Program	88	85
Strengthening Impact Assessment in the CGIAR	728	807
Virtual Information Platform	1,000	-
Open Access	1,243	-
Gender	2,715	-
Total	5,774	892

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Accounts payables - CGIAR Centers

As explained in Note 7, a funds in trust account was established to support ICARDA's financial transactions.

In 2014, liabilities with Centers was wrongly classified and included in Other Accounts Receivable. This was corrected in 2015 Statement of Financial Position.

The increase in CGIAR Centers' payables is essentially the result of invoices from different Centers (ICRAF and IFPRI) to the CGIAR shared-services Internal Audit Unit (IAU).

	2015 (Thousands of US\$)	2014 (Thousands of US\$)
ICARDA funds in trust	1,555	-
Africa Rice	-	-
Bioversity	81	-
CIAT	-	-
CIFOR	-	-
CIMMYT	-	-
CIP	-	-
ICARDA	1	-
ICRISAT	1	-
IFPRI	616	-
IITA	3	-
ILRI	1	-
IRRI	6	-
IWMI	-	-
WorldAgroforestry	508	-
World Fish	6	-
Funds Office	-	-
	2,778	-

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Accounts payables - Other Accounts

The liability for consultants (US\$ 65) in 2014 was wrongly classified under the line employees. It should have been classified as Accounts Payables - Trade. This was corrected in 2015.

The liability with Bioversity International (US\$ 227) was moved from Other Accounts Payable to CGIAR Centers in order to align with Bioversity International reporting.

Both CSP payments for 2013 (US\$ 3,298) and 2014 (US\$ 4,398) were paid in 2015.

	2015 (Thousands of US\$)	2014 (Thousands of US\$)
Trade	473	480
Employees	-	65
Bioversity International	-	227
Fund Office (CSP)	-	3,298
Total	473	4,070

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Accruals

Accruals represent transactions recorded on the books as they occurred in 2015, even if payment was not yet made at the end of the year. According to the principle of separation of fiscal years, this amount is composed of accruals made for supplies and services received and expenses incurred before year-end for which invoices were not yet received. Some of these bear a date in 2016.

Consortium accruals increased as a result of consultancy fees, OCS support, and CGIAR Fellow salaries not yet invoiced.

IAU accruals are a result of pending hosting costs from ICRAF.

Unused leave accrual is the result of additional Consortium staff and insufficient leave accrued by Bioversity International in 2014.

	2015 (Thousands of US\$)	2014 (Thousands of US\$)
CGIAR Consortium	356	126
Internal Audit Unit	121	
Gender	139	
Open Access	30	
Provision for unused leave	246	
Travel	-	12
	891	138

NON CURRENT LIABILITIES

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Deferred Income

Deferred income relates to money already received from Centers for shared-services contracts that have not yet expired. The income relating to 2016 has been deferred to that year.

The amount results essentially from shared-services contracts such as ENVI (US\$ 45), ESRI (US\$ 39), CGXCHANGE Admin (US\$ 9), Support (US\$ 8) and CGNET (US\$ 227) for which the contract periods do not coincide with the calendar year, and for IAU (US\$ 29).

REVENUE AND GAINS

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Grant Revenue

(a) Window 1 funds received from the CGIAR Fund for the normal operation of the Consortium; and

(b) For Special Initiatives projects as approved by the Fund Council.

The Consortium received US\$ 6,600 Window 1 funds for its operational budget, and an additional US\$ 1,941 for Special Initiative projects.

For (a) and (b) above, the revenue is recognized only to the extent that the specific work has been completed on the date of financial reporting.

	2015		2014	
	(Thousands of US\$)	(Thousands of US\$)	(Thousands of US\$)	(Thousands of US\$)
	Restricted CRPs	Restricted Non CRPs	Restricted CRPs	Restricted Non CRPs
CGIAR Fund	-	6,600	-	7,734
Gender	470	759	-	-
Open Access	57	653	-	-
Transition	-	2	-	-
Total	527	8,014	-	7,734

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Bilateral Income

Contributions were received from the following sources:

	2015 (Thousands of US\$)	2015 (Thousands of US\$)	2014 (Thousands of US\$)	2014 (Thousands of US\$)
	Restricted CRPs	Restricted Non CRPs	Restricted CRPs	Restricted Non CRPs
Switzerland	-	-	-	18
IDRC	-	-	-	35
Board Orientation Programme (BoP)	-	-	-	21
Bill & Melinda Gates Foundation	-	1,206	-	1,159
FAO Services	-	48	-	-
Total	-	1,254	-	1,233

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Other Revenue

Other Revenue represents the following:

(a) Income from provision of services to Centers and partners. The Consortium leverages the combined purchasing power of CGIAR to provide maximum value for money to the Centers and makes a margin that contributes to cover its cost.

(b) Administrative charges levied on hosted projects such as Strengthening Impact Assessment in the CGIAR (SIAC), the Gender and Open Access-Open Data Special Initiatives, and the IAU.

For consistency of reporting, and to comply with the Manual, a change in presentation was made to 2014 to show in full the income from shared-services and not offset against the operational costs of the department. The exchange gain of US\$ 4 in 2014 was restated under Financial Incomes.

The Fund Use Agreement for Special Initiatives was signed in March 2015. Since Fund Council approval in April 2014, costs for the Gender Initiative were accrued. Costs were also accrued in 2014 for Open Access - Open Data, and the Fund Council approved on a non-objection basis this Special Initiative project in January 2015.

	2015 (Thousands of US\$)	2015 (Thousands of US\$)	2014 (Thousands of US\$)	2014 (Thousands of US\$)
	Unrestricted	Restricted Non CRPs	Unrestricted	Restricted Non CRPs
Shared Services	1,175	-	233	-
Income tax	143	-	-	-
IAU revenue	-	2,031	-	-
BOP revenue	57	-	1	-
Indirect cost	149	-	26	-
Others- reimbursement of expenses	17	-	58	-
Transition revenue to cover 2015 expenses	2	-	-	-
Reimbursement VAT 2014	12	-	-	-
Total	1,555	2,031	318	-

EXPENSES AND LOSSES

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CGIAR Collaborators

Open Access
Strengthening Impact Assessment in the CGIAR
Gender
Other special Initiative
Total

2015 (Thousands of US\$)	2015 (Thousands of US\$)	2014 (Thousands of US\$)	2014 (Thousands of US\$)
Restricted CRPs	Restricted Non CRPs	Restricted CRPs	Restricted Non CRPs
57	66	-	-
-	200	-	-
470	203	-	-
-	26	-	-
527	495	-	-

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Non-CGIAR Collaborators

Open Access
Strengthening Impact Assessment in the CGIAR
Gender
Total

2015 (Thousands of US\$)	2015 (Thousands of US\$)	2014 (Thousands of US\$)	2014 (Thousands of US\$)
Restricted CRPs	Restricted Non CRPs	Restricted CRPs	Restricted Non CRPs
-	50	-	-
-	897	-	1,117
-	92	-	-
-	1,039	-	1,117

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General and Administration Expenditures – by Natural Classification

Personnel Costs
CGIAR Collaboration Costs
Other Collaboration Costs
Supplies and Services
Travel
Depreciation
Indirect Cost Recovery
Total Expenses and Losses

2015 (Thousands of US\$)	2015 (Thousands of US\$)	2014 (Thousands of US\$)	2014 (Thousands of US\$)
Restricted CRPs	Restricted Non CRPs	Restricted CRPs	Restricted Non CRPs
-	4,971	-	4,408
527	495	-	-
-	1,039	-	1,117
-	5,330	-	2,079
-	903	-	870
-	-	-	357
-	239	-	685
527	12,977	-	9,516

According to the CGIAR 2015 Advisory Note, financial results (incomes and expenses) are shown on separate lines below Operating Expenses. In 2014, US\$ 13 was included in Supplies and Services (bank charges) and is now reclassified in Financial Expenses. (See note 23).

The CGIAR 2015 Advisory Note also required the disclosure of the nature of the Centers' total operating expenses, separating CGIAR collaboration and non-CGIAR collaboration. There was no CGIAR collaboration in 2014 for the Consortium.

FINANCIAL RESULTS

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Financial Incomes and Financial Expenses

Reflects realized and unrealized exchange gain and losses during the year and bank charges (see note 22 for 2014 changes).

Foreign currency gain (realized or unrealized) is higher in 2015 because of exchange rate fluctuations that oscillated between 0.86 and 0.92 US\$/€.

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Surplus/Deficit

The final result is significantly impacted by the unplanned shortfall in IAU's income from Centers and the carry-over from previous years' expenditures that resulted in a USD 698 loss, which the Consortium has agreed to cover. As a result, Net Assets are reduced to US\$ 568.

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Subsequent Events for 2016

The CGIAR Consortium Board, Member Centers and the CGIAR Fund Council, in accordance with the CGIAR Consortium governing instrument, are in the process of revising such instrument to put into effect the decision taken by the CGIAR Fund Council at its meeting in April 2015 to centralize CGIAR's governance and administrative activities under the existing legal personality of the Consortium.

The revised governing instrument is expected to become effective as of 1 July 2016. These changes have no impact on the 2015 CGIAR Consortium Annual Financial Statements nor on the Consortium's capacity to continue as a going concern.

Schedule I – Result by Activities

CGIAR Consortium Result By Activities As of 31 December, 2015 (Thousands of US\$)

	Restricted Projects	Internal Audit Unit	Transition	Shared Services	BOP	Consortium Office	Total 2015
Revenue and Gains							
Grant Revenue							
Windows 1 & 2	1,939	-	2	-	-	6,600	8,541
Window 3	-	-	-	-	-	-	-
Bilateral	1,206	-	-	40	-	8	1,254
Total Grant Revenue	3,145	-	2	40	-	6,608	9,795
Other Revenue	-	2,031	-	1,175	57	323	3,586
Total Other Revenue	-	2,031	-	1,175	57	323	3,586
Total Revenue and Gains	3,145	2,031	2	1,215	57	6,931	13,381
Expenses and Losses							
CGIAR collaborators expenses	996	-	-	-	-	26	1,022
Non CGIAR collaborators expenses	1,039	-	-	-	-	-	1,039
General and Admin Expenses	1,111	2,729	2	1,061	57	6,483	11,443
Other Expenses	-	-	-	-	-	-	-
Total Operating Expenses	3,145	2,729	2	1,061	57	6,509	13,504
Financial result							
Financial Incomes	-	-	-	-	-	101	101
Financial Expenses	-	-	-	-	-	75	75
Total Financial	-	-	-	-	-	26	26
Surplus (Deficit)	-	(698)	-	154	-	447	(97)

Schedule II - Restricted Projects

CGIAR Consortium Schedule of Restricted Projects As of 31 December, 2015 (Thousands of US\$)

DONOR AND PROGRAM PROJECTS		code	type	date	date	pledged	prior years	2015	expenditures
Restricted projects : Bilateral, W1, W2 & W3									
Bill & Melinda Gates									
Strengthening Impact Assessment in the CGIAR System		BU10023	bilateral	09/11/201	201/03/2016	4,992	1,162	1,206	2,368
Open Access and Open Data - part 1		BU10014	W1	10/01/201	509/01/2017	2,380	427	710	1,137
Total Bill & Melinda Gates						7,373	1,589	1,916	3,505
Fund Office through W1									
Gender Management and Administration		BU10015	W1	07/05/201	431/12/2016	780	259	297	556
Electronic Platform		BU10031	W1	07/05/201	431/12/2016	530	-	155	155
Knowledge Sharing Workshops		BU10032	W1	07/05/201	431/12/2016	690	-	131	131
Leadership Development		BU10033	W1	07/05/201	431/12/2016	300	-	-	-
Mentoring and Coaching		BU10034	W1	07/05/201	431/12/2016	1,125	-	95	95
Postdoctoral Fellowships		BU10035	W1	07/05/201	431/12/2016	2,400	-	552	552
PDF external assessment		BU10054	W1	07/05/201	431/12/2016	55	-	-	-
Total Fund Office						5,880	259	1,229	1,488
Russian Federation through W1									
Virtual Information Platform		BU10044	W1	02/11/201	502/11/2017	1,000	-	-	-
Total Russian Federation						1,000	-	-	-
Total Restricted projects						14,253	1,848	3,145	4,993

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